



**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

37 June 6, 2012

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Los Angeles County  
Board of Supervisors

June 06, 2012

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Chief Medical Officer

Christina Ghaly, M.D.  
Deputy Director, Strategic Planning

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF INTER-GOVERNMENTAL TRANSFER FOR FISCAL YEAR  
2011-12 FOR DISTRIBUTION TO IMPACTED HOSPITALS IN SOUTH LOS  
ANGELES  
(DISTRICT 2)  
(3 VOTES)**

**SUBJECT**

Request approval of an Inter-governmental Transfer for Fiscal Year 2011-12 for distribution to Impacted Hospitals in South Los Angeles.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Director of Health Services, or his designee, to transfer a \$5.0 million intergovernmental transfer of funds to the California Medical Assistance Commission for FY 2011-12 for use as the non-federal share of increased Medi-Cal payments to designated private hospitals serving the South Los Angeles area formerly served by MLK Hospital.

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**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommendation will allow the Director or his designee to transfer a \$5.0 million intergovernmental transfer of funds (IGT) from the County to the Department of Health Care Services (DHCS) for Fiscal year (FY) 2011-12. The IGT will fund the non-federal share of supplemental Medi-Cal payments to designated private hospitals that serve the South Los Angeles area population formerly served by Martin Luther King, Jr.–Harbor Hospital (MLK Hospital). The IGT will be transferred to the California Medical Assistance Commission for FY 2011-12 and will draw down an additional \$5.0 million in Federal matching funds, for a total of \$10.0 million. These funds will be used to fund supplemental Medi-Cal payments to the designated hospitals.

**Implementation of Strategic Plan Goals**

The recommended action supports Goal 3, Integrated Services Delivery, of the County's Strategic Plan.

**FISCAL IMPACT/FINANCING**

Funding is included in the Department of Health Services' FY 2011-12 Final Budget. The \$5.0 million IGT will draw down an additional \$5.0 million in Federal matching funds for a total of \$10.0 million to be used for this purpose. The County has previously indicated its intent to continue such support until the new MLK Hospital opens. SB 474 included a provision regarding this IGT for FYs 2007-08, 2008-09, and 2009-10.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Upon the closure of MLK Hospital in August 2007, the County recognized that surrounding privately operated hospital emergency rooms would need financial support for the treatment of County-responsible patients transported via 911 ambulance from the catchment area of MLK Hospital to those nearby hospitals. Accordingly, the County committed to financial support for certain designated hospitals impacted by the closure of MLK Hospital to assure adequate emergency coverage for County-responsible patients, residing in or transported from, the former MLK Hospital catchment area in South Los Angeles.

In October 2007, SB 474 was enacted and established the South Los Angeles Medical Services Preservation Fund (South LA Fund) to address the regional impact of the closure of MLK Hospital, and to help stabilize health services for the low-income population living in the South LA area. Included in SB 474 was the County commitment to provide a \$5.0 million IGT to fund the non-federal share of supplemental Medi-Cal payments for certain private hospitals impacted by the closure.

Because SB 474 lapsed, your Board previously approved the transfer of a \$5.0 million IGT to the DHCS for FY 2010-11 as an A-4 Agenda item on July 5, 2011.

**CONTRACTING PROCESS**

The Honorable Board of Supervisors

6/6/2012

Page 3

Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of this action ensures that vital services will continued to be provided by those hospitals impacted by the closure of MLK Hospital.

Respectfully submitted,

A handwritten signature in black ink that reads "Mitchell Katz". The signature is written in a cursive, slightly slanted style.

Mitchell H. Katz, M.D.

Director

MHK:smh

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors